

A/P 10-99700, INVENTORY CLEARING ACCOUNT

A. General

1. Account 10-99700, the Accounts Payable Clearing Account, should not have a month-end balance. Balances are caused by the following:
 - payments not equaling invoice amounts;
 - payments not matched by receivers;
 - invoices and payments entered more than once;
 - incorrect quantities;
 - quantities that were corrected but not picked up by the system, etc.
2. Check the account mid-month and the first day of close. If it has a balance, the problem(s) must be determined and correcting journal entries made.

B. Checking the Account

1. Use **Transaction Analysis** to check for a balance:
 - a. In the Lawson 5 Release system, press **F2**. At **NEXT TOKEN**, type **GL90**, and press Enter.
 - b. Type **I**, press Tab key. Use the Tab key or field exit (+) to move around.
 - c. Make the following entries. **Company** is **10**. **Accounting Unit** is **10**. **Account** is **99700**. Press Enter.
 - d. Cursor to the total. If **Total of Transactions** is zero (0), exit.
2. If there is a balance:
 - a. Press **F2** and at **NEXT TOKEN**, type **GL290** (for Transaction Report Writer).
 - b. Type **I**, press Tab key.
 - c. Make the following entries. **Job Name** is **99700**. **CO.** is **10**. **Reports** is **UNPOSTPOST**. **Accounting Unit** is **10**. **Account** is **99700**. **Subaccount** is **9999**. Press Enter
 - d. Press **F2**. At **NEXT TOKEN**, type **DSJ** (to release the report), press Enter.
 - e. Tell MIS that you are running the report and to route it to the Cost Accountant's Out Q (outq). Ask them to notify you when the file is downloaded, then tell the Cost Accountant. He/she will download it into an Excel file and notify you.

C. Analyzing the Report

1. Retrieve **L:\Data\123\Purch\APCLEAR.xls**.
2. Sort by Column J, ascending, to sort the file by the 99700 account credits.
3. Copy the credits to Column I.
 - a. Move to Column I, the first row (which must be blank—if it isn't, contact the Cost Accountant for help).
 - b. Type a minus, then press the right arrow key to move to Column J.
 - c. Press Enter (this ensures copies are credits).
 - d. Copy this down Column I to the first entry in Column I.
4. Insert a top row. Enter headers in Columns C (Invoice #), E (Vendor #), and I (Amount).
5. Sort by Column C, the invoice number.
6. Subtotal the invoices.
 - a. On the menu line, select **Data, Subtotals**
 - b. At the heading, **At Each Change in**, use the arrow on the field (selection arrow) to find **Invoice #**. Click on it.
 - c. At the field heading, **Add Subtotal To**, use the arrow to find **Amount**. Click on it.
 - d. Click the **OK** button.
7. Determine the balances.
 - a. On the far left side are three buttons, **1, 2, and 3**. Click on **1**. The **Grand Total** is in Column I and should agree with the amount seen when the GL90 was originally checked. If not, see the Cost Accountant.
 - b. Click button **2**. Go to Column I, Page Down, and check for balances. When a balance is found, move to Column C and write the invoice number.
 - c. Click on **3**, check Column E and write the vendor number.

8. Click **2** again and continue checking the remainder of the spreadsheet.

D. Analyzing Invoices.

1. Pull the invoices. For each invoice, determine which Item Class and accounts the balance is affecting and write up a manual journal entry. The accounts that can be affected are:

- PPV 370XX (XX indicates Item Class),
- Purchases 373XX,
- Freight 374XX or
- Outside Processing 37X35.

When writing the journal entries, indicate the invoice number, part number and quantity.

2. If the Purchases account is affected but the amount in the 99700 account (debit) does not match the invoice amount (370XX credit), use the PPV account for the difference.
3. Use the GL37021 report to check for duplicated entries by part number (invoice number entered twice under a part number).
4. Give the written journal entries to whoever is making the entries.